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REVIEW OF EXPENDITURES IN EXCESS OF COMMITMENTS AND UNSPENT COMMITMENTS FOR COMPLETED PROJECTS FINANCED BY SUPPLEMENTARY FUNDS

SUMMARY

The present report summarizes the outstanding balances of expenditures in excess of commitments and the unspent balances of commitments for completed supplementary-funded projects as at 31 December 1992.

INTRODUCTION

1. As a result of the expanded audit of the 1986 accounts, the 1988 Executive Board established the procedures to be followed in disposing of outstanding balances of overspent and unspent commitments for completed projects.

2. Regarding expenditures in excess of commitments, the 1988 Executive Board, in its decision 1988/11 H (E/ICEF/1988/13), established, inter alia, the following:

> "The financial implementation of supplementary-funded programmes should remain within the funded amounts. However, during the implementation, because of exchange rate fluctuations or other price increases that are out of UNICEF control, the resource needs may exceed those of the original project budget. In such cases, the donor(s) will be approached for additional support. If the additional support is not forthcoming, the project will be phased out and any overexpenditures will be allocated from general resources. The secretariat will report all such cases to the Executive Board specifying the amount in United States dollars, the assisted country to which it relates, and the explanation of the overexpenditures".

3. In addition, in its decision 1988/11 I (E/ICEF/1988/13), the 1988 Executive Board established the following procedure for commitments in excess of expenditures:

> "When it is determined that a project is completed with savings, and where appropriate, the donor will be approached for possible reprogramming. If the donor does not agree, the balance of commitments will be cancelled and returned to the donor".

I. DISPOSITION OF OVERSPENT BALANCES FOR COMPLETED PROJECTS

4. In accordance with the policy of the Executive Board as noted in paragraph 2 above, the secretariat reported overspent balances of $2,020,699 for the year ended 31 December 1991 to the Executive Board at its 1992 session (E/ICEF/1992/AB/L.11). The accounts pertaining to those balances were reviewed by the secretariat and field offices in 1992, and the necessary accounting adjustments to the accounts were made. The resulting adjustments against general resources in 1991 amounted to $516,479. Details can be found in annex I.

5. The 1991 overexpenditures were caused by a combination of the following factors: (a) price increases in the supply components of the programme assistance; (b) higher than anticipated/estimated freight charges; (c) charges to the current year allotment for unexpected expenditures that have been deemed necessary by the prevailing circumstances; (d) difficulties on the part of the field offices to monitor accurately and control charges for expenditures incurred by other offices on their behalf; (e) revaluation of currencies; and (f) difficulties in staffing for the field offices due to the political situation in the country.

6. The present report also summarizes the preliminary balances of overspent commitments relating to completed projects as of 31 December 1992 totalling $1,326,379. (See annex II for details.) Those accounts will be reviewed in 1993 and the necessary action taken in accordance with the policy as stated in paragraph 2 above. The amount of actual 1992 overexpenditures will then be reported to the Executive Board in 1993.

7. Total supplementary funds expenditures in 1990 and 1991 were $264,887,214 and $273,247,690, respectively. Actual overexpenditures in supplementary-funded projects for those two years were $5,014,017 for 1990 and $516,479 for 1991 and represented 1.90 and 0.19 per cent, respectively, of the total supplementary funds expenditures for each year. For 1992, the amount of $1,326,379, which is still subject to further review in 1993, is 0.38 per cent of the total supplementary funds expenditures of $353,928,299.

II. UNSPENT COMMITMENTS FOR COMPLETED PROJECTS

8. The secretariat also reviewed the unspent balances in completed projects as of 31 December 1992 and consistently applied the procedure on unutilized funds of small amounts that was reported to the Executive Board in its 1990 session. For 1992, individual contributions for completed projects with unspent balances of $300 and below were used to fund general resources expenditures as of 31 December 1992. This amounted to $4,913. Details can be found in annex III. Comparative amounts for 1990 and 1991 were $3,834 and $32,918, respectively.

Annex I

1991 OVEREXPENDITURES CHARGED TO GENERAL RESOURCES IN 1992

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	56,811.91
Chad	27,148.88
Gabon	17,045.17
Guinea	92,911.03
Liberia	11,621.91
Malawi	12,676.36
Mauritania	23,321.63
Niger	14,923.44
Nigeria	34,698.31
Sierra Leone	38,517.69
Total, Africa	329,676.33
AMERICAS AND THE CARIBBEAN	
Belize	5,436.68
Costa Rica	3,784.63
Total, Americas and the Caribbean	9,221.31
ASIA	
India	47,437.73
Total, Asia	47,437.73
MIDDLE EAST AND NORTH AFRICA	
Lebanon	53,143.27
Sudan	54,176.57
Turkey	22,824.22
Total, Middle East and North Africa	130,144.06
Grand total	516,479.43

Annex II

SUMMARY OF OVEREXPENDITURES RELATED TO COMPLETED PROJECTS AS OF 31 DECEMBER 1992

(ACTION TO BE TAKEN IN 1993)

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	126,729.17
Comoros	1,049.84
Congo	36,178.40
Côte d'Ivoire	31,178.52
Ethiopia	17,172.32
Lesotho	7,994.92
Liberia	10,508.30
Madagascar	2,181.31
Mauritania	821.14
Mozambique	6,167.29
Namibia	50,658.62
Nigeria	22,840.55
Senegal	5,178.86
Somalia	198,338.45
Togo	2,711.40
Uganda	78,634.04
Zaire	10,368.31
Zambia	15,994.20
Total, Africa	624,705.64
AMERICAS AND THE CARIBBEAN	
Belize	698.62
Central America and Panama	3,848.75
Honduras	6,681.14
Panama	5,684.51
Peru	5,541.35
Total, Americas and the Caribbean	22,454.37

Annex II (continued)

Region/country	Amount
ASIA	
Bangladesh	57,536.62
Cambodia	10,678.43
India	201,714.01
Lao People's Democratic Republic	45,639.07
Myanmar	30,388.23
Pakistan	24,517.90
Total, Asia	370,474.26
EUROPE	
Romania	25,066.06
Former Yugoslavia	66,308.51
Total, Europe	91,374.57
MIDDLE EAST AND NORTH AFRICA	
Egypt	14,784.69
Iraq	55,364.54
Jordan	11,749.44
Lebanon	435.99
Sudan	13,627.72
Sudan (Operation Lifeline Sudan)	24,365.87
Turkey	41,643.77
West Bank and Gaza	15,560.25
Yemen	8,141.52
Total, Middle East and North Africa	185,673.79
INTERREGIONAL	
Mortality Reduction Reserve	31,696.46
Total, Interregional	31,696.46
Grand total	1,326,379.09

Annex III

SUMMARY OF 1992 UNSPENT BALANCES IN COMPLETED PROJECTS USED TO COVER GENERAL RESOURCES EXPENDITURES AS AT 31 DECEMBER 1992

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	206.97
Burkina Faso	564.16
Burundi	36.65
Cameroon	216.93
Cape Verde	0.05
Central African Republic	271.54
Chad	0.56
Côte d'Ivoire	0.08
Ethiopia	25.74
Lesotho	210.22
Madagascar	26.49
Mali	18.42
Mozambique	98.56
Nigeria	285.64
Somalia	123.62
Zimbabwe	0.52
Total, Africa	2,086.15
AMERICAS AND THE CARIBBEAN	
Brazil	322.53
Ecuador	164.04
Guatemala	35.36
Haiti	113.64
Mexico	1.22
Nicaragua	229.23
Peru	99.82
Total, Americas and the Caribbean	965.84

Annex III (continued)

Region/country	Amount
ASIA	
Bangladesh	87.34
China	36.47
India	233.91
Indonesia	0.01
Nepal	88.99
Pacific Island countries	161.06
Pakistan	162.45
Viet Nam	182.52
Total, Asia	952.75
MIDDLE EAST AND NORTH AFRICA	
Iraq	199.51
Jordan	2.33
Lebanon	279.60
Sudan	0.25
Sudan (Operation Lifeline Sudan)	27.42
Turkey	0.18
West Bank and Gaza	66.2
Yemen	304.33
Total, Middle East and North Africa	879.82
INTERREGIONAL	
Global Reserve for Iodine Deficiency Disorders	29.18
Total, Interregional	29.18
Grand total	4,913.74